



County of Los Angeles CHIEF EXECUTIVE OFFICE

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Chief Executive Officer

July 17, 2007

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From: David E. Janssen
Chief Executive Officer

SACRAMENTO UPDATE

Health Care Reform Legislation

AB 8 (Nuñez and Perata), which would reform California's health care system by requiring employers to provide coverage or pay into a State-run purchasing pool, passed the Senate Health Committee on July 11, 2007 on a partisan vote of 7 to 4, and now proceeds to the Senate Appropriations Committee. As amended on July 3, 2007, AB 8 is the compromise agreement between Assembly Speaker Nuñez and Senate President Pro Tem Perata which merges elements of their proposals from AB 8 and SB 48, respectively.

Key elements of the current version of AB 8:

- Guarantee health coverage for all children, including undocumented, under either Medi-Cal or the Healthy Families Program in families up to 300 percent of the Federal Poverty Level.
- Require employers to spend 7.5 percent of their payroll wages on health care for full and part-time employees or pay an equivalent amount into the new California Cooperative Health Insurance Purchasing Program (Cal-CHIPP).

- Require all employees of employers who choose to pay into Cal-CHIPP to enroll in that health plan and provide the option to enroll their families.
- Place a cap on premium contributions at five (5) percent of income for employees and their families under 300 percent of the Federal Poverty Level.
- Guarantee health insurance for everyone in the individual market except individuals with serious medical conditions that qualify for the existing Major Risk Medical Insurance Program (MRMIP).
- Require the California Health and Human Services Agency to evaluate the reforms in AB 8, including assessment of the impact on the county health care safety net system, and review of uncompensated care and emergency room use.

Numerous labor and consumer groups voiced their conditional support for the bill, but indicated that further work is needed to ensure cost containment and affordability for low to moderate income workers and their families. Small and large businesses opposed the bill because of the 7.5 percent payroll fee requirement which they say would force them to reduce the size of their business operations by laying off workers. The Speaker pointed out that businesses have received significant relief in worker's compensation costs over the past few years which should more than offset the 7.5 percent payroll fee.

After listening to concerns expressed during the hearing, Senate Health Committee Vice-Chair Aanestad urged the Speaker to make AB 8 a two-year bill and continue to work on amendments during the fall session. During the Speaker's closing remarks, he committed to working on further amendments during the summer.

Status of County Advocacy Bills

County-opposed AB 13 (Brownley), which would require hospitals to develop staffing plans for professional and technical classifications, passed the Senate Health Committee on July 11, 2007 by a 7 to 3 vote, and now proceeds to the Senate Appropriations Committee.

County-opposed AB 81 (Torricon), which would extend the timeframe to safely surrender a newborn and allow cities to designate fire stations as safe surrender sites in consultation with county boards of supervisors and child welfare agencies, passed the Senate Public Safety Committee with amendments on July 10, 2007 by a vote of 4 to 1, and now proceeds to the Senate Appropriations Committee.

The current surrender period for a newborn is 72 hours or less. The original version of the bill would have extended this time limit to 30 days. On a motion by Senator Cedillo, the amendments adopted in Committee would change the time to safely surrender a newborn from 30 days to up to 21 days. Prior to Assembly Member Torricon making his

opening statement on the bill, Senator Romero, the Committee Chair, urged him to amend the bill to allow newborns to be safely surrendered for up to seven (7) days. Assembly Member Torrico declined the amendment.

Senator Margett spoke in support of maintaining the current 72-hour surrender period and commended Los Angeles County and Supervisor Knabe for their leadership in successfully implementing the Safe Haven Law. Senator Margett noted that the County's successful record of safe surrenders is the result of the time and effort the County has invested in promoting awareness of the current Safe Haven Law. The Senator further stated that he would oppose the bill unless amended to preserve the 72-hour safe surrender period or extend the period by no more than 7 days.

County-supported AB 97 (Mendoza), which would prohibit food facilities from storing, distributing, using in food preparation, or serving food containing artificial trans fat, passed the Senate Health Committee with technical amendments on July 11, 2007 by a vote of 7 to 4, and now proceeds to the Senate Appropriations Committee.

County-supported AB 184 (Bass), which would appropriate \$3.0 million from the State's General Fund to provide Independent Living Program services, such as education and career counseling and daily living skills, passed the Senate Judiciary Committee on July 10, 2007, by a vote of 3 to 2, and now proceeds to the Senate Appropriations Committee.

County-supported AB 340 (Hancock), which would establish the Unified Resources Families Assessment Pilot Project in five volunteer counties to merge multiple, duplicative processes for licensing foster families and adoptive parents, passed the Senate Human Services Committee on July 10, 2007 by a vote of 4 to 1, and now proceeds to the Senate Appropriations Committee.

County-supported AB 671 (Beall), which would require the State Personnel Board to establish an Emancipated Foster Youth Program to provide state employment opportunities for qualified foster youth or former foster youth, passed the Senate Public Employment and Retirement Committee on July 9, 2007, by a vote of 3 to 2, and now proceeds to the Senate Appropriations Committee.

County-sponsored AB 714 (Maze and Bass), which would allow the disclosure of birth family records for previously adopted children who return to foster care, passed the Assembly on July 9, 2007, by a vote of 75 to 0, and now proceeds to the Governor.

County-supported AB 752 (Dymally), which would establish a mechanism to distribute stabilization funds among the facilities in the public hospital system in years three through five of the Hospital Financing Waiver, passed the Senate Health Committee on July 11, 2007 by a vote of 11 to 0, and now proceeds to the Senate Appropriations Committee.

County-supported AB 1252 (Caballero), which would establish the Housing-Related Park Program within the State Department of Housing and Community Development (HCD) passed the Senate Natural Resources and Water Committee on July 10, 2007 by a vote of 5 to 3. AB 1252 allocates \$200 million under Proposition 1C for housing-related parks in urban, suburban, and rural areas and requires HCD, in conjunction with the State Parks Department, to provide grants for the acquisition, development, or rehabilitation of community or neighborhood parks.

The bill was amended in committee to specify that 1) to be eligible for funding, the park project must be located in a "park-deficient" neighborhood within the community, 2) the State Parks Department shall establish criteria to determine a "park-deficient" community, and 3) additional bonus funds may be awarded to jurisdictions that have met or exceeded housing production thresholds developed by the HCD, in consultation with the State Department of Finance. According to the Senate Committee analysis, a detailed definition of a "park-deficient community" should be considered in the bill. The lack of local park acreage or the high need for capital improvements at existing parks within the community where a park project is located has been part of the evaluation criteria in prior local park grant programs. AB 1252 now proceeds to the Senate Appropriations Committee.

County-supported AB 1453 (Soto), which would require the California Department of Social Services to work with public and private stakeholders to develop a plan to transform California's group home system for foster youth and children with serious emotional disorders into a residentially-based services system, passed the Senate Human Services Committee on July 10, 2007 by a vote of 4 to 1, and now proceeds to the Senate Appropriations Committee.

County-supported SB 119 (Cedillo), which would increase the scope of benefits and reimbursement rates in Drug Medi-Cal for youths from 12 to 20 years of age who suffer from substance abuse disorders, was placed on the Assembly Appropriations Committee's Suspense File on July 11, 2007 because of potential increased costs to the State's General Fund.

County-supported SB 990 (Kuehl), which would authorize the Director of Toxic Substances Control (DTSC) to compel a responsible party or parties to take or pay for appropriate removal or remediation actions necessary to protect public health and safety and the environment at the Santa Susana Field Laboratory (SSFL) site in Ventura County, was placed on the Assembly Appropriations Committee's Suspense File on July 11, 2007. The bill also prohibits the sale, lease, sublease, or transfer of any land presently or formerly occupied by the SSFL site, also known as Rocketdyne, unless the DTSC certifies that the land has undergone complete remediation that satisfies specified protective standards.

Status of County Interest Legislation

AB 1164 (DeLeon), which would authorize licensed family child care and license-exempt child care providers to select an organization to negotiate wages and benefits on their behalf, passed the Senate Labor and Industrial Relations Committee, with amendments, on July 11, 2007 by a vote of 3 to 2, and now proceeds to the Senate Appropriations Committee. The amendment restores previously deleted language to specify that licensed family child care providers shall be considered self-employed.

We will continue to keep you advised.

DEJ:GK
ML:DD:IGR:lm

c: All Department Heads
Legislative Strategist
Local 660
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants